



SOCIAL SECURITY ADMINISTRATION

[Docket No. SSA 2016-0056]

Notice on Penalty Inflation Adjustments for Civil Monetary Penalties

AGENCY: Social Security Administration.

ACTION: Notice announcing updated penalty inflation adjustments for civil monetary penalties for 2017.

SUMMARY: The Social Security Administration is providing notice of its adjusted maximum civil monetary penalties. These amounts are effective beginning January 15, 2017. These figures represent an annual adjustment for inflation. The updated figures and notification are required by the Federal Civil Penalties Inflation Adjustment Act Improvements Act of 2015 (the 2015 Act).¹

FOR FURTHER INFORMATION CONTACT: Joseph E. Gangloff, Chief Counsel to the Inspector General, Room 3-ME-1, 6401 Security Boulevard, Baltimore, MD 21235-6401, (410) 966-4440, both directly and for IPTTY. For information on eligibility or filing for benefits, call the Social Security Administration's national toll-free number, 1-800-772-1213 or TTY 1-800-325-0778, or visit the Social Security Administration's Internet site, Social Security Online, at <http://www.socialsecurity.gov>.

¹ See <https://www.congress.gov/bill/114th-congress/house-bill/1314/text>. *See also* <https://www.regulations.gov/document?D=SSA-2016-0009-0001>.

SUPPLEMENTARY INFORMATION:

On June 27, 2016, we published an interim final rule to adjust the maximum level of civil monetary penalties (CMP) under sections 1129 and 1140 of the Social Security Act, 42 U.S.C. 1320a-8 and 1320b-10, with an initial “catch-up” adjustment effective August 1, 2016.² We announced in the interim final rule that for any future adjustments, we will publish a notice in the Federal Register with the new amounts. The annual inflation adjustment in subsequent years must be a cost-of-living adjustment based on any increases in the October Consumer Price Index for All Urban Consumers (CPI-U) (not seasonally adjusted) each year.³ In addition, inflation adjustment increases must be rounded to the nearest multiple of \$1.⁴ Based on Office of Management and Budget (OMB) guidance, the information below serves as public notice of the new maximum penalty amounts for 2017. The adjustments result in the following new maximum penalties, which will be effective January 15, 2017.

Section 1129 CMPs (42 U.S.C. 1320a-8):

\$7,500.00 (current maximum for fraud facilitators in a position of trust) x **1.01636**
(OMB-issued inflationary adjustment multiplier) = \$7,622.70. When rounded to
the nearest dollar, the new maximum penalty is \$7,623.00.

² <https://www.regulations.gov/document?D=SSA-2016-0009-0001>.

³ See OMB Memorandum, Implementation of the Federal Civil Penalties Inflation Adjustment Act Improvements Act of 2015, M-16-06, p. 1 (February 24, 2016), <https://www.whitehouse.gov/sites/default/files/omb/memoranda/2016/m-16-06.pdf>. *See also* <https://www.regulations.gov/document?D=SSA-2016-0009-0001>.

⁴ OMB Memorandum, Implementation of the Federal Civil Penalties Inflation Adjustment Act Improvements Act of 2015, M-16-06, p. 3 (February 24, 2016), <https://www.whitehouse.gov/sites/default/files/omb/memoranda/2016/m-16-06.pdf>.

\$7,954.00 (current maximum for all other violators) x **1.01636** (OMB-issued inflationary adjustment multiplier) = \$8,084.13. When rounded to the nearest dollar, the new maximum penalty is \$8,084.00.

Section 1140 CMPs (42 U.S.C. 1320b-10):

\$49,467.00 (current maximum per broadcast, telecast, or dissemination, viewing, or accessing of an electronic and/or internet communication) x **1.01636** (OMB-issued inflationary adjustment multiplier) = \$50,276.28. When rounded to the nearest dollar, the new maximum penalty is \$50,276.00.

\$9,893.00 (current maximum for all other violations) x **1.01636** (OMB-issued inflationary adjustment multiplier) = \$10,054.85. When rounded to the nearest dollar, the new maximum penalty is \$10,055.00.

Dated: December 21, 2016.

Gale Stallworth Stone
Acting Inspector General of Social Security

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